

**MONTANA HOMEOWNERSHIP NETWORK AFFORDABLE HOUSING PROGRAM
RIDER TO TRUST INDENTURE**

The rights and obligations of the parties to the attached Trust Indenture and the Note which it secures are expressly made subject to this Rider. In the event of any conflict between the provisions of this Rider and the provisions of the Trust Indenture or Note, the provisions of this Rider shall control.

1. The Mortgagor agrees that the Mortgage Lender or its assignee may, at any time and without prior notice, accelerate all payments due under the Trust Indenture and Note and exercise any other remedy allowed by law for breach of the Mortgage or Note if, without the prior consent of the Mortgage Lender or its assignee:

(a) The Mortgagor sells, rents, otherwise transfers any interest in the property by deed of trust, conditional sales contract, pledges, agreements to hold title in escrow and any other form of owner financing or fails to occupy the property as his or her permanent and principal residence;

(b) The Mortgagor fails to abide by the agreements contained in the Affidavit of Mortgagor's Eligibility, or if the Mortgage Lender or the Montana Board of Housing finds any statement contained in the Affidavit of Mortgagor's Eligibility to be untrue; or

(c) The Montana Board of Housing, at any time, in its sole discretion, determines that the requirements of Section 143 of the Internal Revenue Code of 1986, as amended, with respect to Mortgage Loans have not been complied with, whether or not the Mortgagor is responsible for such noncompliance.

The Mortgagor understands that the agreements and statements of fact contained in the Affidavit of Mortgagor's Eligibility are necessary conditions for the granting of the Loan.

2. The Mortgagor agrees that the Mortgage Lender or its assignee may impose a late charge in the amount of four percent (4%) of each monthly payment of principal and interest, which is more than fifteen (15) days delinquent.

3. The mortgagor agrees, in the event the Montana Board of Housing approves a complete assumption of the Mortgage, that the mortgagor shall be released from the payment of all amounts due and to become due under the Mortgage, provided FHA, FmHA and/or VA completely releases such mortgagor from obligations under the Mortgage. Otherwise, the mortgagor shall continue to remain fully liable for the payment of all amounts due and to become due under the Mortgage, irrespective of any payments or actions taken or not taken by the assuming party.

4. In the event the obligation secured by this Trust Indenture has been

declared due by reason of a breach or default in the performance of the obligations set forth in paragraph 1 of this Rider, the interest payable on the sums secured by this Trust Indenture shall be increased to the current market rate for conventional loans in effect at the time of such declaration.

As long as this Mortgage is held by the Montana Board of Housing, the Mortgage Lender may declare all sums secured by this Mortgage to be immediately due and payable if:

(a) all or part is sold or otherwise transferred (other than by devise, descent or operation of law by Mortgagor to a purchaser or other transferee:

(i) who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i) (2) of the Internal Revenue Code; or

(ii) Who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i) (2) of the Internal Revenue Code (except that the language 100 percent shall be substituted for 95 percent or more where the latter appears in Section 143(d);

(iii) at an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (i) (2) of the Internal Revenue Code;

(iv) who has a gross family income in excess of the applicable median family income as provided in Section 143(f) and (i) (2) of the Internal Revenue Code;

(b) Mortgagor fails to occupy the property described in the mortgage without Mortgage Lender's prior written consent; or

(c) Mortgagor omits or misrepresents a material fact in an application for this mortgage.

References are to the Internal Revenue Code in effect on the date of execution of the mortgage, and are deemed to include the implementing regulations.

5. The attached trust indenture and the note which it secures are made under the Neighborhood Housing Services' Montana Homeownership Network Affordable Housing Program. This trust indenture and the note are related to and dependent on a subordinate trust indenture and note of even date herewith relating to a loan from the Montana Board of Housing to the Mortgagor for the down payment and/or closing costs related to the purchase of the property described in the attached trust indenture. The Mortgagor expressly agrees that a default in the subordinate trust indenture is a default of the attached trust indenture and will result in a foreclosure of the attached trust indenture.

NOTICE TO MORTGAGOR:

This document substantially modifies the terms of this Loan. Do not sign it unless you have read and understand it.

I hereby consent to the modification of the terms of the Mortgage and

Note which are contained in the Rider.

Dated this ____ day of _____, 20__.

Signature _____
Printed _____

Signature _____
Printed _____

On this ____ day of _____ 200 , before me, a notary public for the State of Montana, personally appeared
, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day and year first-above written.

[NOTARIAL SEAL]

Notary Public for the State of Montana
Residing at:
My Commission expires: